

miss (dollar cost)

12 June 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Dollar Cost of Soviet Military Operations in Afghanistan

1. OSR's dollar estimate of Soviet military operations in Afghanistan is based on a previous and more detailed assessment of the ruble cost of Soviet activities. We have done our estimate in rubles because that is the best measure of the burden to the Soviets of their operations in Afghanistan. A dollar estimate of such Soviet activities is useful only for comparison with the US. The comparison should be used carefully because the relatively high dollar wages credited to Soviet soldiers significantly affects the total figure. This methodology is consistent with our other dollar estimates of Soviet defense activities. (C)

2. The estimated cost of Soviet military operations in Afghanistan in 1980, expressed in 1980 dollars, is approximately 2.7 billion. This dollar estimate represents what it would cost, using US wages and prices, to man and operate a force of the same size and weapons inventory as the Soviets had in Afghanistan in 1980. This estimate includes the cost of pay and allowances for the estimated 115,000 Soviet troops committed* to operations in Afghanistan, the costs of operation and maintenance of equipment, and construction. [REDACTED]

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3. We estimate that about \$1.7 billion, or 64 percent of the total, are incremental costs directly associated with the invasion of Afghanistan--that is, those costs over and above normal peacetime spending. [REDACTED]

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* Forces committed to Afghanistan include all Soviet forces inside Afghanistan as well as those in the adjacent military district which are supporting operations in country or appear to be at a higher state of readiness as a result of the invasion. [REDACTED]

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4. Other military costs which have not yet been reflected in military outlays can be attributed to operations in Afghanistan. These include the value of the weapons and supplies for the Afghan Army, of Soviet equipment damaged or destroyed, and of ammunition expended. We have no evidence that the Soviets have increased defense production to compensate for equipment losses in, or transfers to, Afghanistan. [REDACTED]

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[REDACTED]

Defense Economics Branch
OSR/ME/DE

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